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 AG-VPAA
 BT
 UNCLAS BEIJING 06596

TOFAS 73

FOR GARY BLUMENTHAL

E.O. 12356: N/A

~~SUBJECT: CODEL LEAHY TO PRC~~

REF: FASTO 181 CIRC

1. THANKS FOR INFORMATION ABOUT PLANNED VISIT OF SENATE AGRICULTURE COMMITTEE CHAIRMAN PATRICK LEAHY IN AUGUST. POST WELCOMES SENATOR LEAHY AND LOOKS FORWARD TO THE VISIT. PLEASE ADVISE AS SOON AS FIRM PLANS AND DATES ARE AVAILABLE.

2. GIVEN CODEL'S INTEREST IN GETTING OUT OF BEIJING AND SEEING CHINESE FARMING PRACTICES AND AGRICULTURAL ENTERPRISES, FAS/B MAKES THE FOLLOWING PRELIMINARY PROGRAM SUGGESTIONS. VISIT SHOULD BEGIN IN BEIJING FOR MEETINGS WITH NATIONAL AGRICULTURAL LEADERS, FLY TO WUHAN WHERE VISITS TO LIVESTOCK ENTERPRISES AND MEETINGS WITH NEW U. S. JOINT VENTURE OPERATIONS PROBABLY COULD BE ARRANGED, AND THEN FLY TO GUANGZHOU FOR ADDITIONAL FARM AND JOINT VENTURE VISITS AND AN ORIENTATION ON POLICIES TO DEVELOP COASTAL REGIONS. FROM GUANGZHOU, THE DELEGATION POSSIBLY COULD TRAVEL ONWARD TO HONG KONG BY RAIL. ALTERNATIVELY, HONG KONG IS A SHORT TRIP BY WATER FROM THE SHENZHEN SPECIAL ECONOMIC ZONE, SEVERAL HOURS FROM GUANGZHOU. OTHER OPTIONS AND ALTERNATIVES COULD INCLUDE AN OVERNIGHT TRIP FROM BEIJING TO TIANJIN WHERE A PORT VISIT COULD BE ARRANGED. SHANGHAI IS AN ALTERNATIVE TO WUHAN, BUT THERE IS MORE U. S. AGRICULTURAL JOINT VENTURE ACTIVITY AROUND WUHAN.

3. IN BEIJING, SENATOR LEAHY MOST LIKELY WOULD WISH TO MEET WITH HE KANG, MINISTER OF AGRICULTURE, ANIMAL HUSBANDRY AND FISHERY; LIU YI, MINISTER OF COMMERCE, WHO IS RESPONSIBLE FOR AGRICULTURAL MARKETING; AND DU RUN SHENG, DIRECTOR, STATE COUNCIL RESEARCH CENTER FOR RURAL DEVELOPMENT. THE MINISTER OF FOREIGN ECONOMIC RELATIONS AND TRADE, CURRENTLY ZHENG TUOBIN, WOULD BE ANOTHER GOOD CHOICE FOR A MEETING. IN BEIJING, SENATOR LEAHY ALSO COULD OBSERVE SOME OF THE FAS COOPERATOR ACTIVITIES AND

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PERHAPS VISIT THE SINO-U.S. MODEL FLOUR MILL, AS WELL AS
OTHER AGRICULTURAL ENTERPRISES.

4. SEVERAL U. S. FIRMS ARE ACTIVE AROUND WUHAN IN HUBEI PROVINCE. THEIR JOINT VENTURES INCLUDE FEED MILLS, COMMERCIAL HOG FARMS, AND HOG BREEDING FARMS. HUBEI IS A MAJOR LIVESTOCK PRODUCING PROVINCE AND HAS AN INLAND PORT ON THE YANGTZE, THE MAIN TRANSPORTATION ARTERY OF CHINA.

5. IN GUANGZHOU AND VICINITY, EXPANDED ECONOMIC ACTIVITY WITH THE OUTSIDE WORLD GOT A HEADSTART ON OTHER PARTS OF CHINA, PERHAPS TRIGGERED BY ITS PROXIMITY TO HONG KONG. THERE ARE SEVERAL JOINT VENTURE ENTERPRISES IN GUANGZHOU OR WITHIN A HALF DAY'S DRIVE. THESE INCLUDE A DAIRY FARM, HOG FARM, A FEED MILL, AND A FOOD PROCESSING VENTURE. THE GUANGZHOU AREA ALSO IS IMPORTANT IN PRODUCTION OF RICE, FISH FARMING, AND TROPICAL OR SUBTROPICAL CROPS.

6. THESE ARE QUICK PRELIMINARY SUGGESTIONS. WE CAN GIVE MORE SPECIFIC SUGGESTIONS AFTER DATES AND DELEGATION MEMBERS AND INTERESTS ARE FIRMED UP. THE PROGRAM OUTLINED PROBABLY WOULD REQUIRE A VISIT OF FIVE-SIX DAYS WITHIN CHINA. WE LOOK FORWARD TO HEARING MORE ABOUT SENATOR LEAHY'S PLANS. SCHOONOVER
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